



U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE

February 3, 2017

TO: Members, Subcommittee on Health

FROM: Committee Majority Staff

RE: Subcommittee Markup of H.R. 829 and H.R. 181

I. INTRODUCTION

The Subcommittee on Health will meet in open markup session on February 7, 2017, at 10:00 a.m. in 2123 Rayburn House Office Building to consider the following:

- H.R. 829, To amend title XIX of the Social Security Act to clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid program, and for other purposes; and
- H.R. 181, To amend title XIX of the Social Security Act to count portions of income from annuities of a community spouse as income available to institutionalized spouses for purposes of eligibility for medical assistance, and for other purposes.

In keeping with Chairman Walden's announced policy, Members must submit any amendments they may have two hours before they are offered during this markup. Members may submit amendments by email to peter.kiely@mail.house.gov. Any information with respect to an amendment's parliamentary standing (e.g., its germaneness) should be submitted at this time as well.

II. LEGISLATION

H.R. 829, To amend title XIX of the Social Security Act to clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid program, and for other purposes

H.R. 829, introduced by Rep. Fred Upton (MI), would require States to consider monetary winnings from lotteries (and other lump sum payments) for purposes of determining Modified Adjusted Gross Income (MAGI) for Medicaid and CHIP eligibility. Such winnings would be treated as if they were obtained over multiple months, even if obtained in a single month. H.R. 829 would count lottery winnings above \$80,000 obtained over multiple months, thus preventing individuals with significant financial means from inappropriately shifting the cost of their care to the Medicaid program. H.R. 829 would also establish a hardship exemption, which would allow States to continue providing Medicaid coverage for an individual if the denial of coverage would cause an undue medical or financial hardship as determined on the basis of criteria established by the Secretary of Health and Human Services.

H.R. 181, To amend title XIX of the Social Security Act to count portions of income from annuities of a community spouse as income available to institutionalized spouses for purposes of eligibility for medical assistance, and for other purposes

H.R. 181, introduced by Rep. Markwayne Mullin (OK), would address a loophole in Medicaid that allows married individuals to increase the amount of assets the community spouse is able to retain above State and Federal maximums. H.R. 181 would address this loophole by making half of the income generated from an annuity purchased by a community spouse within the 60-month Medicaid look back period countable for purposes of determining the institutionalized spouse's Medicaid eligibility for long-term care (the look back period is the period of time before applying for Medicaid in which an individual's or couple's assets are reviewed). As a result, for purposes of determining Medicaid eligibility, the income generated from an annuity purchased by married individuals for a community spouse would be treated in a manner equivalent to how the resources used to purchase the annuity would have been treated. H.R. 181 would require individuals with the financial means to utilize more of their financial resources before qualifying for Medicaid. This will help prevent cost-shifting from wealthy individuals to the Medicaid program and ensure the program is available to those most in need of assistance.

III. STAFF CONTACTS

If you have any questions regarding the hearing, please contact Josh Trent or Caleb Graff of the Committee staff at (202) 225-2927.